Globalization and social exclusion in cities: framing the debate with lessons from Africa and Asia

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SUMMARY: This paper considers the contradictory roles demanded of city governments as they seek to keep their cities competitive in an increasingly globalized world economy while also having increasing responsibilities for addressing social problems, and making local economic development less exclusionary. After reviewing debates on globalization, social exclusion and their interconnections, the paper discusses the impact of globalization on the sweepers in Faisalabad (Pakistan) and on livelihoods in Johannesburg. In Johannesburg, the new socially excluded are those who are superfluous to the requirements of the global economy and Johannesburg’s position within it. Exclusionary processes associated with globalization (including changes in the international division of labour) graft themselves onto local dynamics of social exclusion. The scope for government action at national and city level is also reduced by the downsizing of governments, and liberalization, privatization and deregulation.

I. INTRODUCTION

IN HIS INFLUENTIAL pamphlet, After Social Democracy, John Gray(1) claimed that economic globalization had developed to the extent that social democratic policies are no longer viable and that national governments are powerless in the face of global economic integration and neoliberal deregulation. There is also a growing literature implicating economic globalization in the demise of social democracy and the modern welfare state, arguing that global competitive pressures have forced governments to reduce state spending and interventions. As Mishra(2) has argued, the effect of the “…neoliberal thrust of globalization…is to strengthen market forces and the economic realm at the cost of the institutions of social protection.” To the extent that a role for the state is envisaged at all, it is increasingly seen within the context of decentralization policies. It is in this context that cities are increasingly seen as an important site for combating social exclusion.(3)

Two overarching questions frame the issues addressed in this paper. First, are social exclusion and globalization compatible or contradictory analytical constructs, particularly in the context of the South? Second, in the context of diverse, multifaceted and fast-changing cities, does a social exclusion perspective add value as a conceptual and operational framework? With these questions in mind, debates on globalization and social exclusion are reviewed. The issues raised are then explored through two
examples drawn from detailed case study work conducted in two cities, one in Asia, the other in Africa. To varying degrees and with different emphases, the experience and practice of social exclusion was found to be deeply rooted in the social, economic and political experience of Faisalabad in Pakistan and Johannesburg in South Africa. These pre-existing exclusionary processes were found, in turn, to be profoundly affected and sometimes mediated by global economic forces. The paper concludes by asking whether a social exclusion perspective implies that social inclusion is a necessary, sufficient or indeed an appropriate condition for advancing well-being in cities.

II. GLOBALIZATION

CLARE SHORT, THE Secretary of State for International Development in the United Kingdom said of globalization:

“... talking about stopping it is like trying to stop the industrial revolution and keep feudalism. History is moving. The world economy is reordering. This is a fact of history. But the question of how it is managed and controlled and how the fruits are distributed is completely open to human intervention. So working to understand it and get clear ideas about how we make sure its fruits are distributed fairly between nations and within nations, and that there aren’t lots of excluded people, is the crunch issue of history now.”

Despite being the crunch issue of our times, the concept of “globalization” lacks precise definition. It is the big idea that captures everything from cultural fusion to global financial markets, from international crime syndicates to the Internet but, as a stand-alone concept, it tells us very little about “how globalization is reshaping our lives.” Nevertheless, there is increasing evidence to show that there are those who, to a greater or lesser degree, are excluded by global processes, or who are included under conditions that are not of their choosing and that are detrimental to their livelihoods and well-being. Thus, in arguing for analytical linkages between processes of globalization and social exclusion, we need to understand and make visible the terms of inclusion.

Knowing what is driving globalization helps in understanding its social impact. The neoliberal agenda promoted by powerful vested interests among the world’s wealthiest countries is key. Also important is the ability of business in the information age to compete in regional and global markets, facilitated by technological developments. This has been accompanied by a move towards economic liberalization that has opened up more economies and societies to world markets, a process that has been linked to a geographical realignment of production, consumption and sites of power, as Held et al. explain:

“Globalization can be thought of as a process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their extensity, intensity, velocity and impact – generating transcontinental or inter regional flows and networks of activity, interaction and the exercise of power.”

Some argue that globalization represents a new epoch in human history, while others point out that we have lived in one world for a long time. A third perspective is that, whether old or new, the order and pace of global change is unprecedented and requires an active reconfiguration of international institutions of governance. McGrew characterizes these three positions respectively as neoliberal, radical and transformationalist.
McGrew argues that neoliberal analysis is based on an overly economistic interpretation of globalization, which celebrates the emergence of a single global market and principles of free trade and global competition in the wake of the collapse of state socialism in the former Soviet Union and Eastern Europe. In this context, dichotomized notions of North and South are increasingly irrelevant. The radical position shares with the earlier Dependency School the idea that the world economy has always been characterized by global inequalities, with core-periphery dichotomies, now understood as a “deepening North-South divide”. The transformationalist analysis suggests we need to explore the evermore complex and dynamic patterns of global hierarchy, given that old core-periphery or North-South divides are giving way to a qualitatively different global division of labour in which hierarchies are no longer geographical but social. Within this perspective, there is a growing acknowledgement that globalization processes are strongly associated with an intensification of global inequalities, both between and within countries.

The relationship between global economic processes and increasing social differentiation was a critical issue debated at the United Nations World Summit for Social Development held in Copenhagen in March 1995. Contributors sought to explain the polarization between countries incorporated into and bypassed by the global economy and the patterns of inclusion and exclusion that resulted. However, as an international forum dedicated to the achievement of global consensus, the social summit did not significantly call into question the policies promoted by the international financial and economic architecture, thought by some to be key in reinforcing global social inequalities because they encouraged weaker economies to cut costs through lowering prices and wages, which was invariably accompanied by longer working hours, deteriorating working conditions, reduced social security and increased informality. Within this context, it can be seen that some locales and some groups are incorporated into global production networks while others remain on the margins and yet others are incorporated at huge social cost. As Castells put it:

“Globalization proceeds selectively, including and excluding segments of economies and societies in and out of the networks of information, wealth and power that characterize the new dominant system.”

III. SOCIAL EXCLUSION

JUST AS THERE is more than one view on globalization, so the concept of social exclusion is contested, the term in its colloquial and political usage having become a “cliché to cover almost any kind of social ill.” Nevertheless, three broadly distinct and identifiable approaches to social exclusion might be identified, which mirror the different approaches to globalization outlined by McGrew. From a neoliberal perspective, social exclusion can be seen as an unfortunate but inevitable side-effect of global economic realignment. In other words, the argument insists that social exclusion is the necessary result of global realignments of production, and the concomitant fact that workers formerly protected by trade barriers at a national level, and social security and formal employment conditions at a personal level, are now excluded from such benefits. This perspective on social exclusion is uncomfortably close to debates on the “under-
class”(17) and, like the “sterile and stigmatizing discourse” on the under-class, (18) this position is largely discredited and not taken up here.

A second more radical position argues that social exclusion represents little more than an unhelpful re-labelling of poverty or acts to distract attention from inequality generated by the workings of the economic system. (19) In the United Kingdom, critical social policy has long seen social deprivation in broader terms than income and consumption poverty. It includes in its definition of poverty the prevention of social participation or the exercise of full citizenship. The key text for this school of thought is one that does not actually use the term social exclusion but seeks to explain poverty as a condition of relative deprivation. (20) From this perspective:

“People are relatively deprived if they cannot obtain, at all or sufficiently, the conditions of life...which allow them to play the roles, participate in the relationships and follow the customary behaviour which is expected of them by virtue of their membership of society. If they lack or are denied resources to obtain these conditions of life and so fulfil their membership of society, they may be said to be in poverty.” (21)

Reflecting a similar line of argument, Cecile Jackson (22) warns of the danger of conflating social exclusion and gender subordination in a “one size fits all” analysis. While most commentators adopting a more sceptical stance see social exclusion as an outcome, Jackson sees poverty as an outcome resulting from social relations that may be exploitative, socially excluding or linked to women’s subordination, relations that Jackson asks we keep analytically distinct. (23) Likewise, Atkinson (24) has pointed out that social exclusion can be distinguished from poverty although the two are inextricably linked. As such, he goes on to suggest that social exclusion is invariably a cause of poverty and inequality although not necessarily a consequence of them. Indeed, it is the case that many of those who are socially excluded are not necessarily materially deprived. At the same time, there are obvious material conditions in any society that have to be satisfied to avoid exclusion, such as a place to live and an address, and the perspective of social exclusion allows that poverty is dynamic, a state into which people might fall or from which they can escape. That said, it should be borne in mind that in many countries of the South, where the majority of people are low-income or poor by global standards, material deprivation is not automatically or necessarily accompanied by exclusion from full social participation.

Following the taxonomy employed by McGrew in relation to globalization, a third perspective on social exclusion might well be labelled “transformationalist”. A key dimension of a transformationalist perspective on social exclusion would be the concern with social relations that, in turn, are seen to be embedded in the formal and informal institutions of society. As such, it would sit comfortably with the definition employed by Joint-Lambert, (25) who sees social exclusion as referring to processes by which people are evicted from spaces they previously occupied or are deprived of rights of access in the first place. (26) This perspective signals the use of the social exclusion framework to analyze international processes and institutional relationships associated with rapid social and economic global change and local impacts and responses.

However, this is not how the concept of social exclusion was originally conceived, in policy terms at least. It derives from French social thought and a concern with the relationship between members of society and the nation-state. René Lenoir (27) is commonly credited with popularizing the
term in France, seeking to explain how *les exclus* were systematically overlooked by the French republican social contract. He argued that people who were marginalized from formal labour markets and welfare benefits had experienced a rupture of the social bond that constituted the undergirding of both the rights and responsibilities of citizenship. This line of argument has led Goodin\(^{(28)}\) to make a case for “citizenship” as a more useful lens than social exclusion through which to look at entitlement and access to resources and decision-making processes in society, not least of all because the exercise of citizenship might lead to more effective politics than efforts to combat social exclusion. However, theories of citizenship are largely confined to nation states and do not easily translate to a global setting.

There has been debate on these issues at the global or transnational levels,\(^{(29)}\) while Lister\(^{(30)}\) has suggested that human rights can “…provide a potential tool for sculpting a more inclusionary model of citizenship.” For example, international conventions and declarations on human rights, women’s rights and the rights of the child do provide potential tools for sculpting a more inclusionary model of citizenship. For example, international conventions and declarations on human rights, women’s rights and the rights of the child do provide potential tools for sculpting a more inclusionary model of citizenship. For example, international conventions and declarations on human rights, women’s rights and the rights of the child do provide potential tools for sculpting a more inclusionary model of citizenship. For example, international conventions and declarations on human rights, women’s rights and the rights of the child do provide potential tools for sculpting a more inclusionary model of citizenship. For example, international conventions and declarations on human rights, women’s rights and the rights of the child do...
ion is most usefully thought of as the property of groups. In the following case-study discussion, set in Faisalabad in Pakistan, the changing dimensions of social exclusion of a particular group of urban municipal workers is explored. This example shows how locally generated processes of identity-based social exclusion are articulating with internationally driven neoliberal policy prescriptions, leading to new forms of economic exclusion that, in turn, intersect with long-standing structural conditions that reinforce social exclusion.

Located in a country which periodically finds itself pariah or paragon on the international stage, Faisalabad, a city of around 2 million people in Punjab Province, sports a thriving commercial and industrial middle class associated with the city’s long-standing textile industry or those entrepreneurs who have recently relocated to escape the more volatile political context of Karachi. Although not constituting a global economic hub of textile production, Faisalabad is nevertheless known as the “Manchester of Pakistan”, reflecting a time when Pakistan was firmly part of colonial India and the British Empire, a useful reminder that globalization is not that new. Today, Faisalabad is linked into global processes in two important ways. First, its industrial and commercial élite is firmly linked into international patterns of accumulation and consumption and one source of evidence for this can be found in what better-off people in Faisalabad throw away. At the other end of the social spectrum are perhaps the most stigmatized and marginalized residents of Faisalabad, those who collect and dispose of this waste, the municipal sweepers of the Faisalabad Municipal Corporation (FMC).

In the Punjab and throughout much of urban Pakistan, municipal sweepers form a cohesive social group that can be traced historically to a rural Hindu caste called Churha, customarily associated with “polluting” work. To escape the oppression of caste, they converted en masse to Christianity under the British in the nineteenth century (37) but, in the event, this did not allow them to shed their hereditary group and occupational status. Although Pakistan is a predominantly Muslim country (38) and caste does not operate in the same way as in predominantly Hindu societies, certain types of work are still associated with tribal origin or ancestral occupation, and Churha were and remain associated with dirty work. As a result, Punjabi Christian sweepers are regarded as “polluted” or unclean and, on this basis, work associated with drains, sewers and waste collection has remained their exclusive preserve, almost to this day. In everyday speech, Punjabi Christian sweepers are referred to interchangeably as Churha, “sweepers” or “Christians”, with all terms having an equally pejorative edge.

However, although socially excluded, this group was economically integrated and had exclusive access to secure and pensionable employment in the public sector, as members of the city’s municipal workforce. As such, they are part of the formal labour market and have access to significant social security benefits, including state pensions. In addition, municipal sweepers are well placed to seek out opportunities to earn additional income through private arrangements with residents to remove waste or clean their houses and yards. Thus, we have a classic example of social exclusion in the South, understood in the generic or colloquial sense, but absent in the strict or policy sense of the concept. Moreover, social exclusion accompanied by economic inclusion has allowed some municipal sweepers and their children to gain an education and become relatively secure financially. Moreover, because alternative employment opportunities are largely denied them, with exclusionary mechanisms and poverty: a challenge for the 21st century”, White Paper on International Development, The Stationery Office, London; also IILS/UNDP (1996), “Social exclusion and anti-poverty strategies”, International Labour Organization, Geneva; UNRISD (1994), “World summit for social development: social integration: approaches and issues”, UNRISD Briefing Paper Series 1, United Nations Research Institute on Social Development, Geneva; Wolfensohn, JD (1997), “The challenge of inclusion”, President’s Address to the World Bank-International Monetary Fund Annual Meeting in Hong Kong, China, 23 September, http://www.worldbank.org/html/extdr/am97/jdw-sp/jwsp97e.htm; and World Bank (1998), “Making development more inclusive and effective”, World Bank, Washington DC, www.worldbank.org Social Development Topic, 28 May.

34. See reference 3, Beall (2000).
35. In the context of decentralization, unfunded mandates refer to increased remits and responsibilities for local governments without a commensurate devolution of increased resources.
38. Muslims comprise 97 per cent of the population.
networks coming into play, Punjabi Christians have fiercely guarded municipal sweeper jobs, which customarily pass from one generation to the next, involving multiple family members and rarely passing outside the group. As such, it can be argued that this excluded group itself engages in acts of closure, in order to appropriate or protect resources and advantages afforded by its exclusion. This it does by colluding in notions of “ritual pollution” and the exclusive association with and right to dirty work. Thus, by utilizing the prejudices associated with their ancestral occupation and caste origins, the sweepers have achieved and retained for themselves access to a secure form of livelihood at the expense of other groups of higher social status.

However, global forces that have been impacting on the cozy world of municipal waste collection are seeing Christian sweepers increasingly excluded in new and unanticipated ways. First, in the context of a very competitive global market in textiles, Faisalabad has failed to live up to its reputation as the “Manchester of Pakistan”. It is not linked into the global economy in anything like the way Manchester was in the nineteenth century or say Dhaka is today, for better or for worse. Nevertheless, Pakistan is firmly linked internationally at a geopolitical level and in terms of international development aid. In the context of the latter, the country has been the focus of neoliberal agendas, promoted by the Bretton Woods institutions and a number of bilateral agencies, to roll back what is largely regarded as an inefficient and kleptocratic state. Faisalabad has not escaped this pressure and donor assistance towards improving solid waste management in the city has been accompanied by injunctions to downsize the large municipal workforce in the city (of which sweepers comprise the largest single group) and contract-out waste collection services to private operators, with the inevitable consequence of the casualization of labour. In the context of a stagnant economy and few employment opportunities for Punjabi Christian sweepers outside this protected niche in the public sector, there is evidence of increasing deprivation and insecurity among this group, so that social and economic exclusion are converging in patterns much closer to more global patterns of exclusion.

This illustrative case study highlights how socially excluded groups can use their identity-based social exclusion to secure livelihoods (in this case access to prized public-sector jobs) but in ways that are not necessarily sustainable, especially in the context of wider macroeconomic forces. The experience of the Punjabi Christian sweepers of Faisalabad indicates how broader global economic processes (in this case pressures to downsize the public-sector workforce and contract-out waste collection services) can articulate with local processes of exclusion to disadvantage and potentially impoverish socially excluded communities. The story of the Christian municipal sweepers of Faisalabad supports the observation by Bhalla and Lapeyre (1997) that “local level” social exclusion is not only and always simply “parochial” exclusion. Indeed, it can easily become linked into and constitutive of global economic processes.

V. EXCLUSION ON THE BASIS OF “WHERE YOU ARE”: JOHANNESBURG, SOUTH AFRICA

IT MIGHT WELL be argued that, with its history of racial discrimination and segregationist policies, identity-based exclusion reached its apogee
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under apartheid in South Africa. Segregationist policies, together with a pernicious migrant labour system, saw African families split across the rural-urban divide. Workers in the cities were regarded as temporary sojourners and were afforded insecure conditions of work alongside housing and utilities deemed to serve a transient population. In the rural African reserves, or “homelands” as they were known under “high apartheid”, the people left behind were charged with the responsibility of social care for those too young, too old, too sick or simply unable to work, in the most callous illustration of residual welfare policy. Denied basic human rights and any social contract with the state at all, it could be argued that black South Africans were socially excluded on the basis of both who they were and, for many, where they were. Nevertheless, I would argue in this instance that the concept of social exclusion may well serve to diminish experiences under apartheid better understood as racial oppression, exploitation and the denial of citizenship rights.

Moreover, I make the case here that a social exclusion framework makes more analytical sense when applied to the period leading up to and following the first non-racial, democratic elections in 1994. I argue that the concept usefully elucidates the nature of social disadvantage in post-apartheid South Africa, and more particularly the city of Johannesburg, especially if it is understood in spatial terms, that is, in relation to “where you are”. Under apartheid, wealth in the city, which was largely in the hands of white South Africans, was highly visible. Poverty, which was mainly the fate of black South Africans, was discreetly hidden from view, through a policy of geographical segregation according to race. Today, poverty in Johannesburg remains geographically concentrated, with its distribution still largely following the patterns of residential segregation laid down during the apartheid era. This saw the removal of African people from central areas of the city and their confinement to townships such as Soweto, located at some distance from the centre. The recent erosion of racial residential segregation has done little to affect the geography of inequality and social exclusion in Johannesburg. Moreover, inequality is not disappearing but, rather, changing its face, as Seekings and Nattrass have argued:

“In post-apartheid South Africa, inequality is driven by two income gaps: between an increasingly multi-racial middle-class and the rest; and between the African urban working class and the African unemployed and marginalized poor.”

Johannesburg remains a highly unequal city in a global context where urban poverty and inequality are growing almost everywhere. Significant numbers among the middle classes compete in global financial and trade markets, and most adhere to international norms of urban consumption and culture. They present their demands as vociferously as do the city’s poor and historically disadvantaged populations. Identity-based and spatially determined inequalities persist despite the valiant attempts made by the African National Congress national government and the Greater Johannesburg Metropolitan Council to target historically disadvantaged populations. Such efforts have included both identity-based policies such as affirmative action and black empowerment programmes, as well as area-based strategies aimed at tackling spatial exclusion, for example upgrading former apartheid townships and the burgeoning informal settlements that circle the city. Thus, urban governance in contemporary Johannesburg is characterized by striving for a delicate balance between the commitment to achieving global competitiveness and

43. The terms “African” and “black” are used here synonymously and do not include the so-called “coloured” or mixed-race population, or South Africans of Indian origin.

44. Residual models of welfare assume the benefits of development will “trickle down” and public spending on the social sectors is a wasteful diversion from investment in economic growth.

45. Greater Johannesburg is a city of about 3 million people which, in turn, is part of a conurbation of closer to 8 million people.


47. Seekings and Nattrass (forthcoming), From Race to Class: Inequality, Unemployment and Social Structure in South Africa.
the execution of poverty-reduction programmes, where both objectives carry moral and pragmatic weight. (48)

As problematic is the fact that redistribution has to be balanced against the investment imperatives of attracting new investment and promoting economic growth in a city that has experienced a protracted period of economic stagnation over recent years. Moreover, as the commercial and industrial heartland of South Africa, Johannesburg and its future are crucial for South African prosperity as a whole. The multiple responses of the metropolitan council to the imperative of economic growth, along with the problems of rising unemployment, declining real wages, high expectations on the part of the African population and fear on the part of many whites, reflect the contradictory demands the city is attempting to contain. This is in a context where a process of “decentralization by stealth” is mandating more and more responsibility for social development to local government without the devolving adequate funding to sustain it. (49)

The city’s priorities are set out in the policy document iGoli 2002, (50) an ambitious framework of institutional reform which involves a radical reduction in the direct role of the metropolitan council in service delivery and the securing of a stronger fiscal platform for the city. Economic growth is the cornerstone of this policy that sees Johannesburg positioning itself in the global economy, not on the basis of declining primary industries but rather as “smart Johannesburg”, a high-tech global player and a commercial hub for the Southern African regional economy. (51) The decline in manufacturing employment and the growth of the service sector and high-tech enterprises has had a profound effect on the spatial configuration of the city. Rising unemployment associated with the “sunset” sectors has affected mostly the southern suburbs, including Soweto, where the least skilled workers are located. By contrast, the steady growth of service-sector employment has meant increasing prosperity for the more affluent northern suburbs, which are still occupied by a predominantly white population working in skilled and highly paid positions in the service sector. However, things are changing on the work and residential fronts, as employment in the “sunrise” sectors has led to the rise of a substantial and growing black middle class which is firmly part of the global economic elite.

New forms of capitalist production and changes in employment in Johannesburg, associated with the rise in importance of the service sector, have begun to erode the entrenched correspondence between racial and class divisions that characterized racial economic development and employment patterns during much of the apartheid era. The new socially excluded residents of Johannesburg are not only those who are black, but those, predominantly black but also white, who are superfluous to the requirements of the global economy and Johannesburg’s place in it. They include former mining and manufacturing workers as well as door-to-door salespeople. Broadly speaking, the majority of this declining working class live to the south of the city, while the upwardly mobile working in communications and information technology live and work to the north. Thus, changing patterns of residential polarization are increasingly associated with shifting trajectories of economic development in the city, resulting in new geographies of exclusion. As local meanings of identity-based social exclusion in Faisalabad are increasingly articulating with and being mediated by neoliberal policy trends, so in Johannesburg these new geographies of exclusion are being...
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transmuted from the old. At the beginning of the twenty-first century, a racially segregated city that is also divided into a middle-class north and a working-class south is now perhaps even more divided than it was at the height of apartheid, as social and economic exclusion are reinforced by neoliberal policy choices represented by South Africa’s strategy of Growth, Employment and Redistribution (GEAR) and enthusiastically adopted by the Greater Johannesburg Metropolitan Council. With unemployment running at unprecedented levels, and as the city struggles to find its global economic footing, some of its citizens are looking back with nostalgia at the relative “privilege” of exploitation under racial capitalism.

VI. CONCLUSION

IF WE ACCEPT that social exclusion is distinct from, but often accompanies, poverty outcomes, and that social exclusion implies something different from other relational concepts such as racial oppression or gender subordination, then we can argue that a social exclusion perspective, while difficult to operationalize, provides us with a useful heuristic tool for understanding both persistent and mutating patterns of social disadvantage. It provides a way of understanding the relational and institutional dynamics that serve to include some and keep others out in a connected but polarized global economic context. As such, it is an analytical construct compatible with the study of global economic processes and the poverty and inequality to which they increasingly give rise. Is it then the case, as Clert suggests, that the take-up of the concept of social exclusion signals a positive epistemological shift from the focus on poverty reduction that characterizes neoliberal approaches to development? The answer has to be “yes” to the extent that the concept of social exclusion implies a focus on the causes of poverty and inequality as well as on the outcomes, and encourages the exploration of macro-micro linkages. However, in practice, application of the social exclusion perspective in the context of development cooperation has largely given rise to a reformist rather than a transformationalist policy agenda. This is not least because social inclusion is offered as an alternative to social exclusion. The question remains – inclusion in what, on whose terms and in whose interests?

Integration into the international economy undoubtedly shapes the pattern of urban development in all cities. Some urban local governments, such as that of Johannesburg, recognize that they stand as nodes of greater or lesser importance in an interconnected global network, and are proactive about their location in the global urban hierarchy. Others, such as Faisalabad, appear less proactive in trying to position themselves in relation to the changing dynamics of inter-urban competition. In both cases, the persistence or legacy of exclusionary axes at the national and local levels articulate with those emanating at the global level. Moreover, the case-study examples reviewed above show that new exclusionary processes associated with global trends and pressures graft themselves onto existing dynamics of social exclusion that play themselves out locally. These, in turn, can impact on global economic trends because macroeconomic policy can never be understood independent of its microimpacts and roots.

The implication of the above analysis for understanding the nature

52. See reference 4, Beall, Crankshaw and Parnell (2002, in press).

and focus of urban governance institutions is the recognition that the latter will be responsive to social and economic change at local, national and international levels. The implications of a social exclusion perspective for social policy would equally involve taking account of the city’s location in the global, regional and national economy and the macro-policy context in which local social development is negotiated. Macroeconomic policies accompanying economic globalization, such as liberalization, deregulation and privatization, can strongly limit governments’ room for manoeuvre in promoting social development at any level. Relatedly, the trend towards “rolling back the state” at national level has increased the responsibility of local government and governance for ensuring social well-being and security. That the increased authority associated with decentralization is often accompanied by increased responsibility in the context of unfunded mandates means that local authorities are especially constrained. So, as economies become more globally integrated, invariably on highly skewed terms, cities are being urged to be “inclusive” and to integrate social goals into local economic development. This is not only unfair to the local authorities involved but is likely to be ineffective in the face of global economic forces or international policy directives that promote social exclusion, as illustrated by the cases of Johannesburg and Faisalabad, respectively.